



## PRESS RELEASE

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### Gov. Schwarzenegger Signs Executive Order to Help Make California the Leader in Telecommunications Revolution

Fulfilling his commitment to digitally connect California's cities to each other and the world, Gov. Schwarzenegger signed an executive order to clear the government red tape for building broadband networks, ensure all government agencies are using the best technologies to serve the people and creates a broadband task force that lets experts from government and business work together to identify and eliminate obstacles to making broadband internet access ubiquitous in the state.

"California is home to the greatest technology entrepreneurs. Let's show the world what we can do," said Gov. Schwarzenegger at the UC Davis Health System Pediatric Telehealth Colloquium in San Francisco, where a doctor examined an 11-year old leukemia patient by video about 100 miles away in Sacramento. "If we want to stay No. 1 in technology, we need action. In countries like Japan and South Korea, the people have access to great technologies at lower costs than anywhere in America. We can do that. Michigan has one of the largest wireless broadband networks in the country. We can do that. That's why I'm signing an executive order to help make California a leader in the telecommunications revolution."

Telemedicine is just one of the exciting possibilities that expanding broadband access would bring to the state.

Highlights of the executive order include:

- Establishing a broadband task force to recommend additional steps the Governor can take to promote broadband access and usage.
- Designating one agency—Business, Transportation & Housing (BT&H)—as lead coordinator for implementing the state's broadband policy, to help ensure cohesion, speed and efficiency.
- Directing BT&H to create a database linking private broadband companies with state transportation agencies, permitting companies to better coordinate fiber optic installation, leading to more consumer choice and efficient pricing.
- Establishing a pricing policy for private companies paying for "rights-of-way" access to state roads. Previously, charges to lay fiber varied widely—the order sets pricing based on actual costs incurred by the State.
- Calling for streamlined, expedited rights-of-way permitting procedures to accelerate broadband deployment.
- Directing BT&H to collect and analyze current broadband information so the state can accurately map existing resources.
- Directing the Department of General Services to make wireless Internet access available in State buildings and increase video streaming to deliver public meetings, training materials and other state resources online.
- Directing state agencies to enable Voiceover Internet Protocol technologies for business and government use, and include broadband conduit in their infrastructure planning.

After his speech to the colloquium, Gov. Schwarzenegger joined Silicon Valley CEOs and executives to discuss the economic development that increased broadband adoption would spur.

video "Broadband will help build California so we can grow our economy by competing in the global marketplace," said Gov. Schwarzenegger. "California must remain competitive so we continue to attract the best, brightest and most creative workforce in the world."

Since Gov. Schwarzenegger took office, California has added more than 650,000 jobs and the unemployment rate has fallen to 4.8 percent. Investing in broadband will help continue California's economic prosperity.

Research conducted on the California "One Gigabyte or Bust" Broadband Initiative estimated that enabling broadband access for 50 percent of Californians would have enormous economic impacts on the state, adding over \$365 billion annually to the state's economy within seven years and helping create or retain two million sustainable jobs. Similarly, the California Communications Association estimates that every dollar invested in broadband networks generates \$3 in economic activity, and that every \$1 billion in telecom capital spending equates to 7,000 new telecom jobs – including jobs in network construction, engineering, operations and the creation of new equipment and products.

A U.S. Commerce Department study released this year found that the availability of broadband is directly tied to business growth – especially among new technology-intensive firms. Greater broadband access will directly support California's world-leading technology industry – creating jobs both in the communications sector and for high-tech companies like Intel, Google, Yahoo!, and eBay, which rely on internet usage to drive business. Increasing

broadband deployment will also further support the California economy by making our state an attractive home for the nation's – and the world's – preeminent scientists and researchers. The U.S. currently trails several European and Asian countries in broadband access rates.

Attached is the full text of the executive order.

## **EXECUTIVE ORDER S-21-06**

### **Twenty-First Century Government: Expanding Broadband Access and Usage in California**

WHEREAS deploying broadband networks and advanced communication services throughout California will enable continued improvements in healthcare, public safety, education, and the economy; and

WHEREAS a technology-neutral approach to removing barriers to broadband deployment will encourage lower prices and creation of more consumer choices; and

WHEREAS advanced communication services have become central to the financial health of our State, as these services have increased individual worker productivity and connected California businesses to international markets; and

WHEREAS California is ahead of all other states in dollar value of high-tech exports (approximately \$50 billion last year alone);[1] and

WHEREAS California boasts more than twice as many high-tech jobs than any other state, and its average high-tech employee wage (\$90,600 in 2004) leads the nation;[2] and

WHEREAS California's Web content, e-commerce, networking, telecommunications, entertainment, broadcasting, and computer software and hardware businesses have placed the State at the forefront of the Internet revolution, but to continue to be a world-class leader, California must adopt next-generation policies and practices that spur on further broadband innovation; and

WHEREAS State action is needed to continue investment in, stimulate adoption of, and remove further barriers to the development of world-class broadband networks; and

WHEREAS it is an executive priority to promote widespread access to, adoption of, and new applications for broadband networks and advanced communication services; and

WHEREAS section 709 of the California Public Utilities Code establishes that it is the State's policy to encourage expanded access to state-of-the-art technologies for rural, inner-city, low-income, and disabled Californians; and

WHEREAS the California Public Utilities Commission (CPUC) issued a report on Broadband Deployment in California that, among other items, (1) specifies how the State can be a leader in promoting the availability and use of broadband services, (2) calls for the creation of

a California Broadband Task Force, (3) endorses increased use of advanced communication services for government operations and public access, and (4) recommends limiting rights-of-way (ROW) fees assessed upon broadband providers; and

WHEREAS the Governor's Cabinet – led by the Business, Transportation and Housing Agency (BTH) – convened seventeen meetings on regional economic vitality, and civic leaders in all of these meetings called for increased broadband deployment; and

WHEREAS in accordance with Executive Order S-5-05, the California Partnership for the San Joaquin Valley has made accelerating the deployment of broadband networks and advanced communication services part of its Work Plan; and

WHEREAS ninety-two percent of California's land contains only fifteen percent of the State's population, and some of the communities in these rural areas lack the multiple telecommunication connections necessary for linking to outside resources during states of emergency, such as catastrophic fires, floods, and earthquakes; and

WHEREAS in accordance with Executive Order S-12-06, broadband networks are needed to create a sustainable eHealth network that connects rural health clinics to other State medical centers; and

WHEREAS the increased State use of broadband networks and advanced communication services will enhance government operations through telemedicine for healthcare, distance learning for education, and better coordination in the areas of public safety.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order and direct as follows:

1. The State shall create a California Broadband Task Force. This Task Force will bring together public and private stakeholders to remove barriers to broadband access, identify opportunities for increased broadband adoption, and enable the creation and deployment of new advanced communication technologies.

a. Within thirty days of the date of this Executive Order, the Office of the Governor will name an odd number of members, no less than eleven and no more than nineteen, to the California Broadband Task Force. These members

shall include, but are not limited to, representatives from government entities having a role in infrastructure deployment, information technology, and economic development; representatives from California's private sector technology, telecommunication, and investment industries; and representatives of non-profit organizations. Two of the members shall serve as co-chairs of the California Broadband Task Force. One of these two co-chairs shall be the Secretary of BTH; the other will be selected by the Office of the Governor.

b. Within ninety days of the date of this Executive Order, the California Broadband Task Force shall provide a preliminary report to the Office of the Governor that identifies administrative actions that can result in immediate promotion of broadband access and usage within the State.

c. Within one year of the date of this Executive Order, the California Broadband Task Force shall provide a comprehensive report to the Office of the Governor and Legislature. This report shall make specific recommendations for how California can take advantage of opportunities for and eliminate any related barriers to broadband access and adoption.

d. The California Broadband Task Force shall pay particular attention to how broadband can be used to substantially benefit educational institutions, healthcare institutions, community-based organizations, and governmental institutions. It shall coordinate statewide and regional efforts with public and private stakeholders to obtain and maximize grant and loan funding available for broadband deployment and development projects in the State. Discussions with private sector stakeholders will identify further opportunities for increasing investment in state-of-the-art technologies.

2. BTH shall be the Lead Agency for coordinating implementation of policies and practices launched by Sections 1-7 and 9(a) of this Executive Order. Among other responsibilities, BTH shall manage broadband data collection, in consultation with the CPUC, and develop a baseline and metrics for measuring broadband usage and benefits within the State. BTH shall work with other relevant agencies to provide an annual report to the Office of the

Governor and Legislature on types and locations of broadband technologies deployed in the State, as well as public agency practices supporting broadband access, adoption, and applications. The first report shall be due within one year of the date of this Executive Order.

3. To encourage public/private partnerships among broadband stakeholders, BTH shall establish a database that identifies current and prospective projects for deploying broadband. A pilot database shall be available for use by broadband providers, State entities, and municipalities within 120 days of the date of this Executive Order.

4. All agencies, departments, boards, commissions, and offices of the executive branch under my supervisory authority (State Agencies) shall place broadband conduit in their infrastructure projects if there is sufficient demand for the conduit. Conduit placed within infrastructure projects shall be designed to be used by multiple government entities and broadband providers.

5. To promote and encourage broadband access, any charge to wired broadband providers for State ROW usage shall be based on the actual costs incurred by the State. The California Department of Transportation (Caltrans) shall propose a new rate structure pursuant to this policy within sixty days of the date of this Executive Order.

6. BTH shall lead a statewide effort to streamline ROW permitting. State Agencies granting ROW access shall adopt policies to standardize and expedite the processing of broadband providers' applications, and within 120 days of the date of this Executive Order, State Agencies shall adopt a uniform application for broadband providers seeking ROW use. State Agencies shall provide BTH annual progress reports on their permitting practices, including how long it takes to process applications. The first progress report shall be submitted to BTH within one year of the date of this Executive Order.

7. BTH shall direct development and use of an interagency best practices guide for resolution of ROW disputes between State Agencies and broadband providers. The dispute resolution process shall be designed in a manner that promotes broadband access, adoption, and applications. State Agencies shall create the best practices guide within 180 days of the date of this Executive Order, and State Agencies shall be in compliance with this guide within 180 days of its creation.

8. To accelerate deployment of wireless broadband, the Department of General Services (DGS) shall enter into a contract with one or more companies that will place, construct, and maintain wireless broadband equipment on top of select State Agency buildings. State Agencies agreeing to the contract terms will avoid time-consuming separate negotiations and will enable faster build out of wireless broadband networks. DGS shall make every effort to complete this contract process within 180 days of the date of this Executive Order.

9. State Agencies shall lead by example and take the following actions to make State government more efficient and effective:

a. In order to plan for future broadband deployment projects, State Agencies shall provide information to BTH that allows the Agency to map existing State infrastructure. These assets include, but are not limited to, the following: ROW owned by the State, ROW subject to State regulation, broadband infrastructure owned by the State, broadband infrastructure leased by the State, State buildings (owned or leased), and investment projects relating to broadband.

b. DGS and the Department of Technology Services (DTS) shall facilitate State use of streaming video technologies to broadcast public meetings over the Internet, enable remote access to staff training materials, and give widespread emergency notifications. Within 180 days of the date of this Executive Order, DGS shall enter into a contract with one or multiple companies for offering Webcasting services to State Agencies. DTS shall provide technical consulting and training to State Agencies that elect to use Webcasting services.

c. To enable the use of cost-effective videoconferencing, DGS shall identify State Agencies with significant field office operations and provide them information on how video conferencing may increase Agency efficiency.

d. DGS shall encourage the offering of wireless Internet access in State facilities that are most used by the public. DGS shall identify State buildings that may be appropriate for wireless Internet access and provide them information on the benefits of offering this service. In particular, DGS shall pursue deployment of wireless Internet access in the State Capitol Building, which hosts several hundred thousand visitors each year. DGS shall make a proposal to the Legislature and Office of the Governor for wireless access in the Capitol within 180 days of the date of this Executive Order.

e. DGS and DTS shall enable the deployment of Voice over Internet Protocol (VoIP) technologies that meet the business needs of State Agencies and improve quality of service provided to California residents. Within 180 days of the date of this Executive Order, DGS shall enter into a contract with one or multiple companies for offering VoIP services to State Agencies. DTS shall provide technical consulting and training to State Agencies that elect to use this contract.

IT IS FURTHER ORDERED that State Agencies shall cooperate in the implementation of this Order. Other entities of State government not under my direct executive authority, including the CPUC, the University of California, the California State University, California Community Colleges, constitutional officers, and legislative and judicial branches are requested to assist in its implementation.

This order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

IT IS FURTHER ORDERED that soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice shall be given to this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 27th day of October 2006.

Arnold Schwarzenegger

Governor of California

ATTEST:

BRUCE McPHERSON

Secretary of State